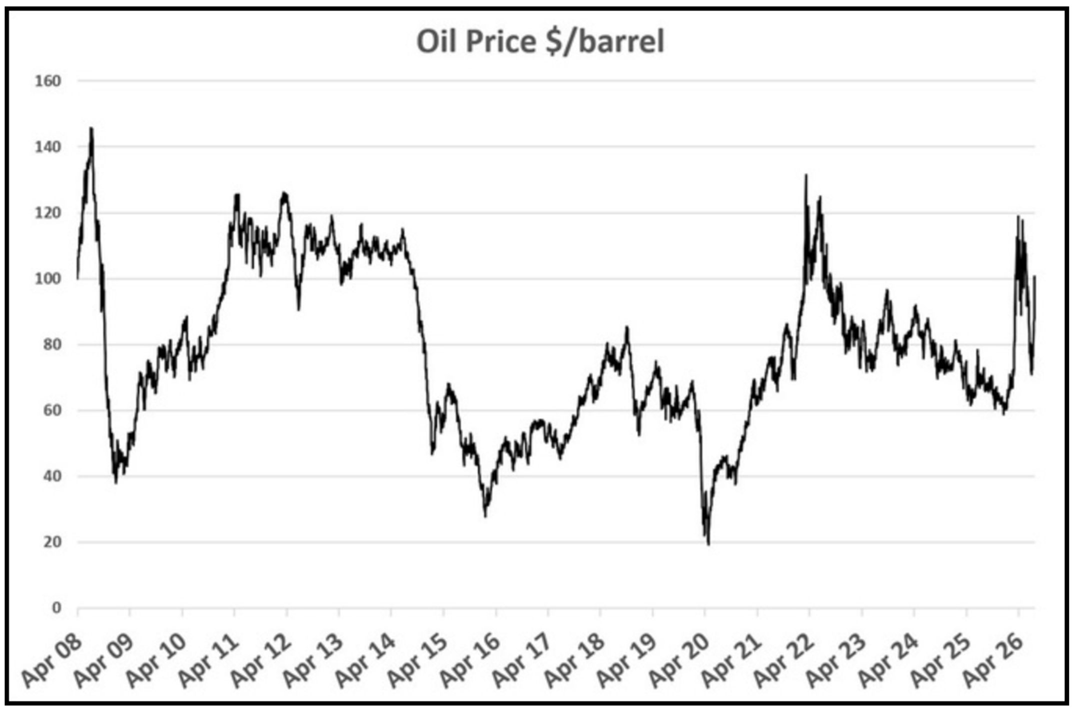
ENERGY MARKET SNAPSHOT

24TH JULY 2026

OIL:



Oil prices moved steadily higher throughout the week as traders reacted to worsening tensions between the US and Iran and increasing disruption to shipping in the Red Sea and Strait of Hormuz.

The week began with oil gaining around 1% as geopolitical concerns continued to outweigh broader economic and demand factors.

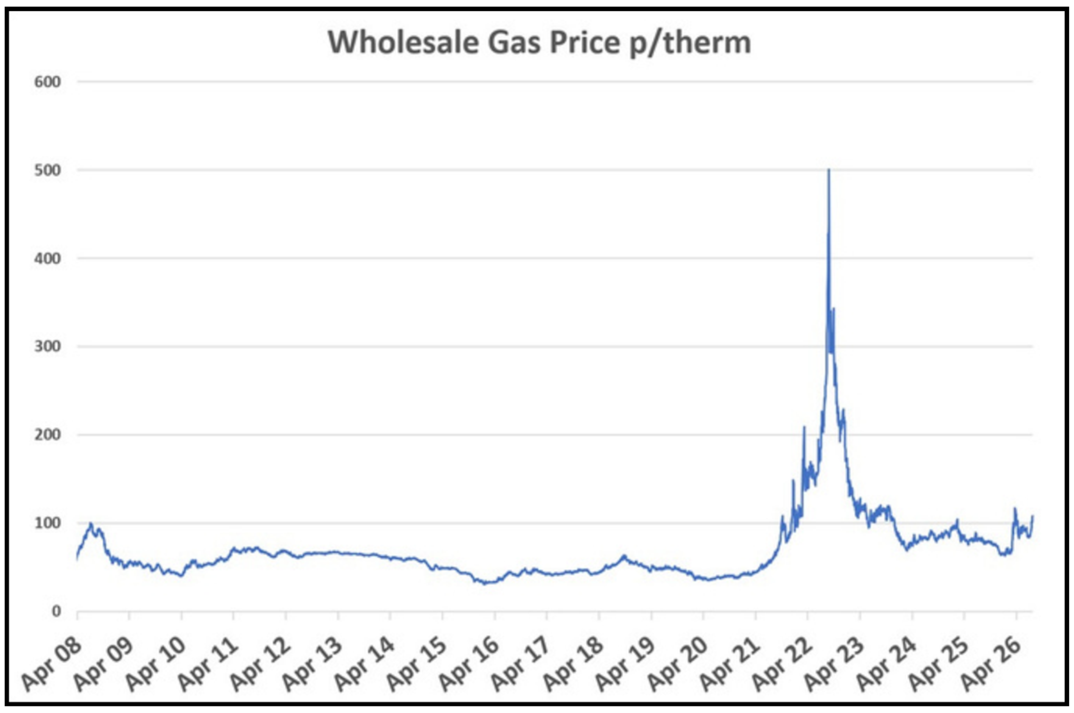
By Tuesday, prices had reached a five-week high after reports of escalating attacks in the Middle East, while threats against shipping routes raised concerns about potential disruptions to global energy flows. Further support came from reports of oil tankers turning around in the Red Sea following warnings from Iran-backed Houthi forces.

The bullish momentum continued into Wednesday as the conflict intensified. Reports of additional US strikes on Iranian targets and warnings regarding Iranian nuclear infrastructure increased fears of a broader regional conflict. Meanwhile, Houthi attacks on Saudi oil tankers forced several vessels to divert, adding further concerns over supply security.

On Thursday, oil prices surged again after the Houthis claimed responsibility for attacks on two Saudi tankers in the Red Sea. Additional support came from comments by President Trump warning that the US would hold Iran responsible for any future attacks on commercial shipping. As a result, risk premiums increased significantly across global crude markets.

Last night, Front Month Brent closed at $100.60/barrel, up 16% compared to last Friday.

GAS:



European gas markets recorded another strongly bullish week as geopolitical tensions added to existing concerns over storage refill progress ahead of winter.

On Monday, prompt and near-curve contracts firmed despite relatively healthy LNG arrivals and Norwegian supply. The market remained focused on ongoing disruption to tanker movements through the Strait of Hormuz, while European storage levels of approximately 53.7% remained more than 10 percentage points below the same point last year.

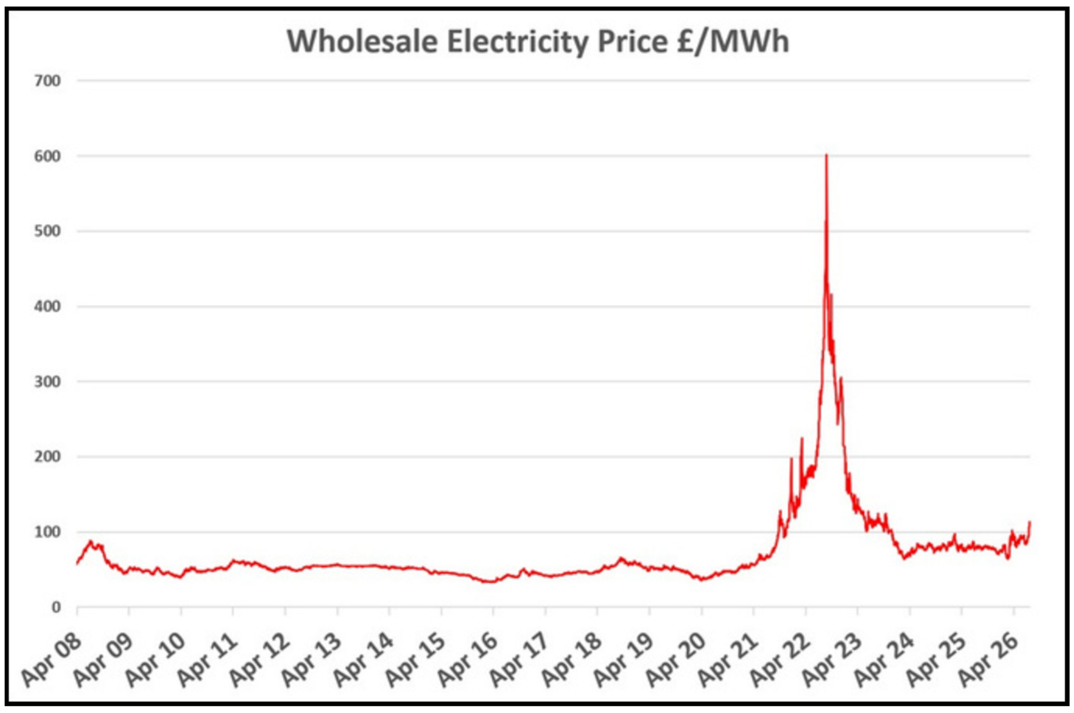
Tuesday saw further gains, with contracts linked to the summer storage injection period leading the rally. Front-month prices moved to their highest levels since March, supported by continued military escalation in the Middle East and concerns that LNG exports could be disrupted should regional tensions worsen. European storage levels remain well below historical norms, reinforcing concerns around winter supply adequacy.

Momentum continued into Wednesday, geopolitical premiums remained firmly embedded throughout the curve, particularly across Winter 2026 and Winter 2027 contracts.

By Thursday, additional support emerged following reports that Qatar may extend force majeure declarations on LNG cargoes through mid-October. Combined with European storage levels remaining only around 54% full and increasing competition with Asia for LNG cargoes, the market remained firmly supported. Further bullish sentiment came after EU policymakers agreed the next package of sanctions against Russia.

Last night, all gas contracts closed higher than last Friday. Winter 2026 closed at 151.0p/therm, up 8% compared to last Friday.

ELECTRICITY:



Power markets followed higher gas prices throughout the week, with wholesale electricity contracts recording strong gains across both prompt and forward periods.

On Monday, rising gas prices and concerns regarding French nuclear generation supported the market. Modest wind output forecasts increased expectations for gas-fired generation, while ongoing concerns regarding restrictions within the French nuclear fleet continued to support UK wholesale prices.

On Tuesday, power contracts moved higher alongside gas and oil markets. While weaker carbon prices limited gains further along the curve, geopolitical developments remained the dominant influence.

Wednesday saw another strong session, with gas and carbon markets both providing bullish support. European power prices strengthened broadly, allowing UK contracts to continue their upward trajectory despite weather forecasts remaining close to seasonal norms.

On Thursday, forecasts for below-average wind generation across the UK and much of Northern Europe provided further support. Although strong solar output is expected to partially offset lower wind generation, the anticipated renewable shortfall is likely to increase reliance on thermal generation.

Last night, all electricity contracts closed higher than last Friday. Winter 2026 closed at £127.80/MWh, up 7% compared to last Friday.